



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

July 6, 2006

CERTIFIED MAIL  
7004 2510 0004 1824 4974

William Bown  
Bonneville Quarries, Inc.  
842 West 400 North  
West Bountiful, Utah 84087

Subject: Demand for Corporate Surety Bond Rider and Bond Company Financial Rating,  
Bonneville Quarries, Inc., Grouse Creek Operations, M/003/031, Box Elder  
County, Utah

Dear Mr. Bown:

A recent Division review of the existing corporate surety issued by Far West Insurance Company, no. 1344885, and its associated documents have resulted in the following issues that must be addressed and resolved.

As of July 6, 2006, the Division cannot identify that Far West Insurance Company meets the Division's Surety financial rating requirements. The surety requirements are stated as follows:

Surety is licensed to do business in Utah and is rated by A. M. Best as A- or better or rated as having Financial Performance Rating (FPR) of 8 or better, and is listed in the U. S. Department of Treasury's Circular "570."

Please provide the information from the bonding company indicating these rating requirements have been met.

**This information must be received by the Division by July 20, 2006. If the bond company no longer meets this rating requirement the bond must be replaced by November 20, 2006.**

**In either case, a bond rider issued by Far West Insurance Company is required unless you replace the bond immediately. This bond in the amount of \$12,500.00 was executed on November 4, 1997 and since that time your company name has changed from Utah Building Stone Supply to Bonneville Quarries, Inc. This company name change must be identified on the Corporate Surety Bond, no. 1344885.**

Furthermore, the Division received a letter on November 6, 1997 from J Michele Burraston with the Buckner Group, indicating there was a "corrected first page of the bond", Attachment B, as well as a bond rider correcting the company name. A copy of this letter is enclosed for your review. The Division has two first pages of Attachment B, one received on November 6, 1997 and one received on November 4, 1997. The Division remains unclear as to how a first page received by the Division on November 4, 1997 can have a

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approved plan date of March 4, 1998 typed in. **This date is into the future, and could not have been identified on a document received four months earlier.** The enclosed first page of Attachment B, dated November 4, 1997 has the correct information, however, the Division questions if this is the page the bond company actually has in its possession. If Far West Insurance Company issued the bond exactly as shown on Attachment B received by the Division on November 6, 1997, then the rider changing the company name to Bonneville Quarries, Inc. will also identify:

- **US Department of the Interior, Bureau of Land Management (BLM) as a co-beneficiary;**
- **The date the Mining and Reclamation plan was approved by the Division must be identified as March 4, 1998;**
- **That 12.6 acres will be disturbed by this mining operation in the State of Utah**

It is imperative the bond contains the information exactly as identified in the bullets above. Please be aware, the rider must be issued regardless of the rating status of the surety company. **The BLM must be named on this bond.**

If you have any questions or if we can be of any assistance to expedite the issuance of the bond rider, please contact myself at (801) 538-5258 or Minerals Surety Coordinator, Beth Ericksen, (801) 538-5318.

Sincerely,



Susan M. White  
Mining Program Coordinator  
Minerals Regulatory Program

SMW:BE:be

cc: Lynn Kunzler, DOGM  
Beth Ericksen, DOGM  
Opie Abeyata, BLM

Enc: Corporate Surety Bond received November 6, 1997 copy: Opie Abeyata

Letter from the Buckner Group copy: Opie Abeyata

First Page Attachment B received November 4, 1997 Copy: Opie Abeyata

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